

Appropriation Subcommittee on Health and Human Services

Chairman - Representative McVea

Members - Representatives Hazel, LaBruzzo, LeBas and Williams

Summary of Committee Meetings

The Appropriations Subcommittee on Health and Human Services met eight times, a total of over sixteen hours, to discuss the Department of Health and Hospitals, Department of Social Services and the Louisiana State University state hospitals and medical schools fiscal issues. These meetings were well attended by committee members. Additional House members attended several committee meetings. Meetings started with either a House Fiscal analyst presentation or a presentation by the Secretary of the prospective department. These presentations highlighted significant adjustments included in the FY 08-09 Executive Budget and significant issues in the agency or department's budget. Staff presentations were followed by questions from members to department or agency representatives.

The Department of Health and Hospitals (DHH) was discussed in five of the eight meetings:

February 18, 2008 - an overview of DHH

March 13, 2008 - Jefferson Parish Human Services Authority, Florida Parishes Human Services Authority and Metropolitan Human Services District

March 19, 2008 - Capital Area Human Services District, Developmental Disabilities Council, Office for Aging and Adult Services, Louisiana Emergency Response Network, and Office of Public Health

March 25, 2008 - Medical Vendor Administration, Medical Vendor Payments and Office of the Secretary

March 26, 2008 - Mental Health (State Office, Areas C, B, and A), Office for Citizens with Developmental Disabilities and Office for Addictive Disorders

The Department of Social Services (DSS) was discussed in three of the eight meetings:

February 18, 2008 - an overview of DSS

April 1, 2008 - Office of the Secretary and Office of Family Support

April 8, 2008 - Office of Community Services and Louisiana Rehabilitation Services

The Louisiana State University (LSU) state hospitals and medical schools were discussed in two of the eight meetings:

February 18, 2008 - an overview of LSU state hospitals and medical schools

April 15, 2008 - Health Care Services Division, LSU Health Sciences Center (New Orleans and Shreveport)

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Report on the Department of Health and Hospitals

The Department of Health and Hospitals total FY 08-09 Executive Budget recommendation is \$8.5 billion (\$1.7 billion State General Fund) allocated among the following budget units: Jefferson Parish Human Services Authority, Florida Parishes Human Services Authority, Capital Area Human Services District, Developmental Disabilities Council, Metropolitan Human Services District, Medical Vendor Administration, Medical Vendor Payments, Office of the Secretary, Office of Aging and Adult Services, Louisiana Emergency Response Network Board, Office of Public Health, Office of Mental Health (State Office), Office of Mental Health - Area C, Office of Mental Health - Area B, Office of Mental Health - Area A, Office for Citizens with Developmental Disabilities and Office of Addictive Disorders.

Summary of Committee Meetings

February 18, 2008

The Health and Human Services Appropriations Subcommittee met to hear an overview of the FY 07-08 budget for the Department of Health and Hospitals (DHH), Department of Social Services (DSS) and the Louisiana State University (LSU) state hospitals and medical schools. Nancy Keaton and Connie Percell, budget analysts for the House Fiscal Division, presented an overview of the different agencies within DHH, DSS and the LSU state hospitals and medical schools. A power point presentation outlined the role and mission of the different agencies, strategic locations around the state and an overview of the current budget.

Questions

Representative Hazel wanted to know if the developmental centers' budgets basically remain the same from year to year and if they are comparable. Connie Percell informed Representative Hazel that the budgets are similar and are adjusted each year for normal growth. She also indicated to Representative Hazel that the Pinecrest Developmental Center's budget was larger because of the number of clients and the severity of their disabilities.

Representative LeBas wanted to know if there was federal matching funds within DHH's budget. Connie Percell confirmed to Representative LeBas that there were federal matching funds within DHH's budget and that in the Medicaid program there was a 30% State General Fund match to a 70% Federal Funds match.

March 13, 2008

Nancy Keaton presented the budget for Jefferson Parish Human Services Authority (JPHSA), Florida Parishes Human Services District (FPHSA) and Metropolitan Human Services District (MHSD). Each overview included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding for each office within the department. Human Service Districts are community-based entities created to

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locally manage mental health, developmental disability and addictive disorder services in specific areas of the state. When initially funded for operation, DHH transferred the functions of the above services to the districts through a memorandum of understanding. Each district is authorized by the legislature and is managed locally by a board of directors.

Upon request by Chairman McVea, DHH Undersecretary Charles Castille gave a brief history of the human service districts. Four are currently operating and two additional districts are under development. There are plans for legislation to strengthen the district framework and eventually the entire state will be under the district model. Areas that remain without created districts is Shreveport, Lafayette and Lake Charles.

In response to questions by Representatives Williams and LeBas, Mr. Castille described how services are provided in the districts. In the regional model the DHH offices usually contract with providers to provide services. Under the district model, providers can contract with the district if the district does not provide the services directly. In the case of community mental health clinics, Mr. Castille indicated that districts will assume operations of those clinics. Districts operate all community based services in a region, but they do not operate the state residential facilities, including those for mental health or developmental disabilities.

Representative Katz asked why the districts do not have authorized positions. Mr. Castille said that was a result of the legislation that created the districts so local agencies would have more flexibility. This is similar to state hospitals which do not have authorized positions.

Ms. Gay LeBlanc, Jefferson Parish Human Services Authority Community Support Director indicated that the number of persons served by JPHSA has increased since the hurricanes. Chairman McVea asked if numbers are starting to level off. Ms. LeBlanc indicated last year they saw 5,700 people, including children, and in the first 6 months of this year they have already served 5,200.

Ms. Melanie Watkins, Executive Director of Florida Parish Human Services Authority, gave a brief history of the organization and described challenges in their area following the hurricane, including a 20% increase in application for services. FPHSA is requesting additional SGF in FY 08-09 to help recruit and retain mental health physicians. Ms. Watkins indicates that they compete with the New Orleans area for hiring and New Orleans recently received a federal grant that provides financial incentives to doctors who work in New Orleans.

There was a discussion between the members and Ms. Watkins regarding the current mental health physician staffing and the types of doctors FPHSA would like to recruit with the additional funding. The members provided suggestions as to alternative options for recruiting mental health professionals including medical psychologists trained through the military.

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Metropolitan Human Services District Deputy Director Ms. Jacqueline Smith, gave a brief description and history of the organization including challenges following the hurricanes. Ms. Smith also wanted to reiterate a comment by Ms. Watkins that it is a struggle to create new districts with out appropriating funding for administrative purposes.

MHSD is seeing more patients that are seeking treatment for mental health issues than they were seeing before the hurricane. MHSD was serving 8,800 individuals for mental health and co-occurring individuals before storm, and have served 6,900 in the first 6 months of this year. For addictive disorders they were serving around 2,000 a year before the storm, and now it is down to 900 because with loss of staff they are not able to serve as many. For services to individuals with developmental disabilities, pre-Katrina MHSD was serving about 750 individuals and now they are seeing about half that because the population may not have the supports to have returned home. Ms. Smith also indicated that MHSD is experiencing a workforce shortage. They have requested funding to fill 55 frozen positions.

Chairman McVea wanted to know how the hiring freeze has affected the districts in general. Mr. Castille, indicated that the Division Of Administration (DOA) has been responsive to granting exceptions to direct care positions.

March 19, 2008

The Appropriations Subcommittee on Health and Hospitals met to hear an overview of the FY 08-09 Executive budget for the Capital Area Human Services District, Developmental Disabilities Council, Office for Aging and Adult Services, Louisiana Emergency Response Network Board and Office of Public Health. A presentation was done by Ms. Cindy Bishop and Mr. Chip Peters on the Louisiana Assembly on School Based Health Care.

Nancy Keaton's presentation for Capital Area Human Services District (CAHSD) included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding.

CAHSD provides mental health, developmental disability and addictive disorder services to citizens in the parishes of Ascension, East Baton Rouge, Iberville, Pointe Coupee, West Baton Rouge, and East and West Feliciana.

Ms. Jan Kasofsky, Executive Director of CAHSD, indicated the recommended budget includes a decrease of \$1.9 million which will cause them to reduce services. However, she wants to discuss it further with the Division of Administration.

Mr. LeBas asked CAHSD to comment on mental health physician shortages, which Ms. Kasofsky indicated is also an issue for CAHSD. However, she has concerns about using medical psychologists with the degree of severity in the clients they see. Carol Nacoste, Deputy Directory

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for CAHSD, indicated they have been looking at using foreign educated doctors. Also, in response to a question by Mr. LeBas, Ms. Nacoste indicated addictive disorder services are primarily federal block grant dollars of about \$9.5 million from the DHH Office of Addictive Disorder. Also, funding from OCDD is about \$3.9 million, primarily SGF. Ms. Kasofsky indicated CAHSD is not a direct service provider for OCDD, which accounts for the lower spending in that area.

In response to a question by Mr. LeBas, Ms. Nacoste indicated the Patient Assistance Program assists individuals with prescription drug assistance.

Ms. Kasofsky further discussed the shortage of mental health professionals with Mr. LaBruzzo, including the possibility of providing financial incentives.

Connie Percell presented a brief report on the Developmental Disabilities Council (DDC) which included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. Committee members questioned Sandee Winchell, Executive Director and Shawn Fleming, Deputy Director, on issues within the DDC. Chairman McVea voiced concern over group homes moving into neighborhoods and the concerns of the people living in those neighborhoods. He indicated to Ms. Winchell that he thought it would be a good idea to give prior notice to these neighborhoods before these types of moves were made and it would probably alleviate some of the problems down the line. Ms. Winchell stated that the DDC does not recommend group homes and believe people can live in their own homes through the use of waiver services.

Questions on DDC

Chairman McVea wanted to know if the DDC's budget was up by \$200,000. Connie Percell informed him that the agency's budget was up by \$78,000 in federal funds and that this funding would be used for new initiatives and operating costs.

Representative Hazel stated that his neighborhood has three group homes. He wanted to know if community based services were similar to outpatient services and how community based services worked. Ms. Winchell stated that two people with disabilities decide they want to rent an apartment together and depending on the severity of their disabilities they could share staff that would work three 8 hour shifts to basically provide whatever care is needed for these individuals to function or perform daily activities. Ms. Winchell stated that in a group home you live with 6 to 8 people and you do not make individual choices. Representative Hazel wanted to know if there was cost savings in a group home as compared to individual placement. Ms. Winchell stated there could be cost savings being in a group home, however individual waiver services can be provided as long as they do not exceed institutional cost.

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Representative LeBas stated that he has group homes in his area and they do a good job. He thinks there is a place for both and he does not feel one is any better than the other. Mr. Fleming agreed with Representative LeBas that some of the group homes have the right spirit and the interest of the residents in mind.

Representative LaBruzzo stated that if a group has 6 or more people living in it, they have no choice of what they want for dinner, no choice of what they want to watch on TV and no choice of when they want to go to the mall, then he must have grown up in a group home. He had eight brothers and sisters and he did not get to choose any of those things.

Connie Percell presented a brief report on the Office for Aging and Adult Services (OAAS) which included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. Committee members questioned Hue Eley, Assistant Secretary for OAAS, on issues within OAAS. Chairman McVea stated that he was looking at OAAS and the total means of financing increase was 11.5%, John J. Hainkel Home has a 6.3% increase and Villa Feliciana shows an 11% decrease. He wanted the committee to know that Villa Feliciana Geriatric Hospital, now Villa Feliciana Medical Complex, is in Jackson, Louisiana in the middle of his district.

Questions on OAAS

Chairman McVea wanted to know if John J. Hainkel Home received a 6.3% increase and if Villa Feliciana received a 11% decrease. Connie Percell confirmed that Hainkel received an increase and Villa received a decrease. Chairman McVea indicated to Mr. Eley that for the last 3 or 4 or 5 or 6 years he has had to come to this body to defend Villa Feliciana Geriatric Hospital who has turned in \$2-\$3M annually back to the General Fund which has gone to supplement John J. Hainkel Home. Chairman McVea stated to Mr. Eley that DHH needed to explain why that took place. Mr. Eley stated that with Connie's help he will try to explain. Mr. Eley stated that the majority of the cut for Villa is a little over \$2M and \$1.5M of that is a salary base adjustment calculated by the Division of Administration based on a projected amount of salaries that will be paid out in the coming year. Mr. Eley went on to state that the remaining \$500,000 is the reduction in positions and Villa, Hainkel and the Administration programs all took a reduction in positions. Chairman McVea stated that even after Hainkel was increased more than any other agency last year, it still received an increase this year. Mr. Eley stated that Hainkel did get some special entrance pay last year, but he thinks Villa also received some special entrance pay. Mr. McVea indicated to Mr. Eley that he review the 11% cut to Villa. Mr. Eley stated that he would get with the Division and look at the numbers again.

Representative LeBas wanted to know what was included in the Office of Aging and Adult Services. Mr. Eley stated that most of OAAS programs serve people who are elderly and people who are over 21 with adult onset disabilities. Representative LeBas wanted to know if most of

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these people could be taken care of in a nursing home. Mr. Eley stated that these people are either in nursing homes or being cared for in the community setting through some type of waiver service.

Chairman Fannin wanted to know if long term waivers were part of OAAS. Mr. Eley stated waivers that serve adults with onset disabilities and elderly are part of OAAS. Chairman Fannin wanted to know if these individuals were at home or in a nursing home. Mr. Eley stated that these waivers serve people at home or in an Adult Day Health program. Chairman Fannin wanted to know if these type of waivers were increased last year. Mr. Eley stated that last year 1,500 elderly and disabled (EDA) adult and 125 adult day healthcare (ADHC) waivers were added. Chairman Fannin wanted to know what was the average cost of these waivers. Mr. Eley stated the cost of the EDA waiver is a little over \$30,000 a year and the ADHC is about \$18,000 a year. Chairman Fannin wanted to know if any of the EDA waivers exceeded \$30,000 a year. Mr. Eley stated that the cost of the EDA waiver ranges from \$10,000 a year to \$50,000 a year. Chairman Fannin stated that he thought the cost was about \$70,000 a year. Connie Percell indicated to Chairman Fannin that he was referring to the New Opportunities Waiver (NOW). Chairman Fannin wanted to know if there was a cap on the EDA waiver. Mr. Eley stated that the waiver could not exceed \$70 a day or the yearly cost of the waiver could not exceed the yearly cost of institutional care. Chairman Fannin wanted to know if Mr. Eley was in charge of the NOW. Connie Percell indicated to Chairman Fannin the NOW waiver would be covered in the Office for Citizens with Developmental Disabilities presentation.

Nancy Keaton's presentation for the Office of Public Health (OPH) included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. OPH performs functions related to the general health of Louisiana citizens, and, for budget purposes, is divided into 3 programs: Vital Records and Statistics, Personal Health Services, and Environmental Health Services. OPH also operates parish health units throughout the state.

Chairman McVea asked about the reduction of 99 positions. Ms. Keaton noted that is a net of 101 vacant positions recommended to be reduced; 12 positions added to the Nurse Family Partnership program; a reduction of 11 positions with the transfer of the Louisiana Emergency Response Network (LERN) to a separate budget unit; and the transfer of 1 position to the DHH Office of the Secretary.

Chairman McVea wanted to know if there is any overlap between the services in the school based health centers and the public health clinics. In response, Dr. Rony Francois, Assistant Secretary of OPH, indicated that providing services in schools is a great way to serve children because a health provider is on the school site and saves trips to the emergency room. Public Health clinics provide core public health functions and environmental health supports to the communities. Ms. Sharon Howard with OPH added that school based health centers are a great

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way for young people to get preventative services. Louisiana needs as many places as possible for children to access health care. Dr. Jimmy Guidry, DHH Medical Director, added that the more contact a child has with a medical provider when they are younger the more likely they are to seek care when they are older. Dr. Guidry added that preventative services are much less expensive than waiting to treat an illness.

Ms. Keaton presented the budget for the Louisiana Emergency Response Network (LERN). LERN coordinates time-sensitive health resources to safeguard the public health, safety and welfare of the citizens of Louisiana. Ms. Keaton described the function of LERN and the future plans for opening call centers. The Executive Budget recommends the transfer of LERN from OPH into its own budget unit for FY 08-09. In FY 07-08, LERN is a program within the OPH funded at \$6 million and 11 positions.

Dr. Guidry described the history of the legislation to transfer LERN into a separate budget unit. He also described that the intention of LERN is to coordinate trauma care, using call centers, across the state for time sensitive illness. The Shreveport call center has been operating since January 2008. The system requires a network of hospitals, physicians and emergency response professionals.

Representative LeBas asked about administrative expenses for LERN when it becomes a separate budget unit. Dr. Guidry indicated they would still have to use the DHH administration. At this point, there are not plans to add new administrative positions. Dr. Guidry also indicated that ethic laws for the council members apply now that they are responsible for funding. He thinks they will have to go back to the legislature to clarify that DHH is still responsible for spending and monitoring of funds.

Ms. Cindy Bishop and Mr. Chip Peters with the Louisiana Assembly on School-Based Health Care provided public testimony. Ms. Bishop described the role, the number of individuals served, the services provided in school based health centers, and the funding sources. School based health centers are funded with approximately 70% state funds through DHH. They indicated there is no additional funding for expansion of school based health centers in the Executive Budget.

Mr. Peters, in response to a question by Chairman McVea, indicated that in many areas there are not adequate Medicaid providers for children, therefore the school based health centers are necessary. In addition, school based health centers offer mental health services.

March 25, 2008

The Appropriations Subcommittee on Health and Hospitals met to hear an overview of the FY 08-09 Executive budget for Medical Vendor Administration, Medical Vendor Payments and

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Office of the Secretary. Don Donaldsonville, Ward Blackwell and Kevin Hayes did a presentation for the Louisiana Dental Association.

Alan Levine, Secretary of DHH, presented an overview on Medical Vendor Administration, Medical Vendor Payments and Office of the Secretary. Connie Percell presented a brief report on Medical Vendor Administration, Medical Vendor Payments and Office of the Secretary which included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. After presentations were completed committee members questioned Alan Levine, Charles Castille, Undersecretary for DHH, and Jerry Phillips, Medicaid Director, on various issues within DHH's budget.

Questions on Medical Vendor Payments

Chairman McVea requested that Secretary Levine explain DSH. Secretary Levine stated that "DSH" is disproportionate share and is 100% federal funds. He stated that DSH is the extra money above and beyond the Medicaid program. Secretary Levine indicated that Louisiana has no more capacity to draw down additional DSH dollars. Louisiana draws down more DSH than any other state. Chair McVea wanted to know the difference between the NOW waiver and the FLEX waiver. Secretary Levine stated that they are both specific to the developmentally disabled program. He further stated that he did not mention the EDA waiver, however he has similar concerns about both the NOW and EDA waiver. The FLEX waiver was created as an alternative waiver program to allow DHH flexibility to design service programs and have recipients choose what services are best for their needs. The FLEX waiver is more limited than the NOW waiver.

Representative Smiley wanted to know if the additional mental health funds will all go to New Orleans. Secretary Levine stated that a lot of the funding will go to New Orleans, but some funding will be used statewide. Representative Smiley wanted to know when DHH will have the necessary data on hospital needs throughout the state. Secretary Levine stated that he did not have access to that data. He further stated that with regard to Charity-New Orleans, the business plan has good information, but he has concerns about some things in the plan. He stated that the current projected cost of the hospital is approximately \$1.2 billion which equates to about \$1 million per bed. Representative Smiley also wanted to know what can be done to drive down the costs of the waivers. Secretary Levine stated that DHH has some ideas and some of these ideas will be controversial. The waiver problem is not unique to Louisiana and various models have been developed by other states.

Questions on the Office of the Secretary

Representative LeBas wanted to know what it means to bring salaries up to the projected level needed for FY 08-09. Charles Castille stated that when the Division of Administration look at salaries being paid and not enough money is available, money is added to bring the salaries to the level needed for the ensuing fiscal year.

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March 26, 2008

The Appropriations Subcommittee on Health and Hospitals met to hear an overview of the FY 08-09 Executive budget for the Office of Mental Health, Office for Citizens with Developmental Disabilities (OCDD) and Office for Addictive Disorders (OAD). Michelle Ganier and Mike Martin provided public testimony on the Bridge House in New Orleans and Responsibility House in Jefferson Parish. Ed Carlson did a presentation for the Coalition of Louisiana Addiction Service and Prevention Providers (CLASP).

Nancy Keaton presented a brief report on the Office of Mental Health, and Connie Percell presented brief reports on OCDD and OAD which included a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. After presentations were completed committee members questioned William Payne, Assistant Secretary for the Office of Mental Health, Kathy Kliebert, Assistant Secretary for OCDD, and Michael Duffy, Assistant Secretary for OAD, on various issues within their prospective budget.

Nancy Keaton's presentation for the Office of Mental Health (OMH) included further information on means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. DHH Mental Health provides services for the prevention, evaluation and treatment of individuals with emotional and mental illness. There are 4 budget units related to the delivery of mental health services – Office of Mental Health (State Office) and three Mental Health Areas C, B, and A. The mental health areas geographically divide the state into regions for the purpose of service delivery.

Overall, the decrease in the mental health state office budget is due to the non-recurring of \$32 million federal funds from a Substance Abuse Mental Health Services Administration (SAMHSA) grant for counseling services provided for individuals affected by the hurricanes. There are additional decreases of \$15 million budget authority for Uncompensated Care Cost (UCC) reimbursement for 100 inpatient psychiatric beds and crisis intervention services. Services for reimbursement of this funding were not provided in FY 07-08. The funds will remain in the Medicaid UCC budget and there are plans to expend the funds in FY 08-09.

Ms. Keaton discussed an increase of \$13.8 million SGF in the mental health state office for the annualization of mental health services in New Orleans. Funding of approximately \$2 million for the current FY 07-08 was approved by the Joint Legislative Committee on the Budget in February. The funds will provide an array of mental health services for children and adults.

In response to a question by Chairman McVea, OMH Assistant Secretary William Payne commented on the budgets for the state mental health hospitals. Mr. Payne indicated, that overall, the budgets remain constant. The major change is in the means of financing due to revenue swaps of SGF for Medicaid. Mr. Payne outlined the total budgets for each facility.

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There was a discussion of the hiring freeze and how it was affecting the state facilities. Representative Hazel specifically asked about Central State Hospital in Pineville. Mr. Payne indicated the department has submitted requests for exemptions. While they have had a number of direct care positions at the Jackson facility approved, there are still some exemption requests pending.

Questions on OCDD

Representative LaBruzzo stated that his daughter has used the Early Steps program and he was impressed with the program.

Chairman McVea wanted to know why some centers show increases and some show decreases. Connie Percell informed Chairman McVea that the only significant adjustments in all of the centers is the adjustment to bring the salaries up to the level needed and the reduction in positions. She further stated that some centers were overfunded in salaries, therefore you see a net reduction to total funding. Chairman McVea wanted to know what was the Children's Choice waiver. Kathy Kliebert stated that the Children's Choice waiver is one of the disability waiver programs that OCDD oversees and that it is a limited waiver capped at \$17,000 a year and used by children up to 18 years of age. Chairman McVea wanted to know if Louisiana waivers were more expensive than waivers nationwide. Ms. Kliebert stated that the waivers are expensive because Louisiana has no limit on services. The waivers offer a lot of services with no cap, however DHH is working on a resource allocation formula that would bring the waiver costs under control.

Representative Hazel wanted to know what was the difference between regions and districts. Ms. Kliebert stated that legislation recently passed will move Louisiana to all districts.

Representative LaBruzzo wanted to know if group homes had to comply with neighborhood restrictions. Ms. Kliebert stated that group homes do have to comply with neighborhood restrictions but can ask for a variance from restrictions.

Questions on Office for Addictive Disorders

Chairman McVea wanted to know how OAD and the human service districts mesh. Michael Duffy stated that OAD and the human service districts provide the same level of services to persons with addictive disorders. Chairman McVea wanted to know how a citizen could apply for treatment services. Mr. Duffy stated that a citizen could contact OAD through use of the website or 800 number. Chairman McVea wanted to know if OAD provides treatment for gambling addiction. Mr. Duffy stated that OAD is responsible for problem and compulsive gaming treatment. OAD has five stand alone compulsive gambling intensive outpatient treatment clinics and one inpatient clinic in Shreveport.

Representative Hazel wanted to know if there was a long waiting list for services and the number of beds available. Mr. Duffy stated that OAD added 70 beds last year and 40 of these beds are in

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New Orleans. 30 beds were added in Representative Hazel's district and are specifically for dual diagnosis patients. Mr. Duffy stated that there are 1500 people a day on a waiting list for 24-hour treatment services. Representative Hazel wanted to know where the adolescent beds are located. Mr. Duffy stated that OAD added 8 beds in Shreveport, 4 beds in Baton Rouge and 40 beds in New Orleans.

Ed Carlson representing the Coalition of Louisiana Addiction Service and Prevention Providers (CLASPP) provided public testimony. He discussed the importance of providing substance abuse services and the shortage of services because there are not enough state resources. Services are covered by contracts with the state, or in some cases private insurance.

Report on the Department of Social Services

The Department of Social Services (DSS) includes the Office of the Secretary, Office of Family Supports, Office of Community Services and Louisiana Rehabilitation Services.

Summary of Committee Meetings

April 1, 2008

Secretary Ann Williamson presented an overview of the department activities and budget. Ms. Williamson spoke specifically about programs in the Office of Family Support (OFS) and Office of the Secretary (OS).

Representative Hazel asked when A Comprehensive Enterprise Social System (ACCESS) computer system is expected to be fully implemented. ACCESS is a computer system that has been under development for several years and once fully operational is intended to be a single system from which all DSS client services can operate. Ms. Williamson responded that the operational aspects planned for the coming fiscal year, dealing with child protection, is fully functional although there are improvements that will continue. Supporting foster care and adoption is not currently included, which could take 2-3 more years.

Representative Hazel also asked about emergency preparedness activities. Ms. Williamson responded that DSS is the lead agency for sheltering in the event of a future disaster. DSS has established state operated shelters for up to 10,000 individuals who can not transport themselves. DSS keeps annual leases on vacant spaces to transform to a shelter in the event of a disaster. On the campus of LSU Alexandria, DSS has built a state facility for emergency sheltering. Also in partnership with DHH, DSS staffs and operates shelters for individuals with special medical needs. DSS is also responsible for sheltering registered sex offenders who do not have their own shelter.

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Representative Hazel questioned the type of daycare facilities DSS licenses and inspects, and the standards to which they are held. The DSS Office of Family Services licenses over 1,100 Class A centers which are not typically associated with a faith based institution. The star rating system has focused on Class A day care facilities and is a voluntary program. Facilities associated with faith based organizations, of which there are about 300, can participate in the rating system, but it is not mandated. There are published licensing regulations which are considered minimum qualification to get the first star to the 5 star system. A center can be in good standing with licensing and have one star. Additional stars can come from performance measures such as amount of training of staff conducted, staff/child ratio, and curriculum.

Representative Hazel asked for further information on a comment Ms. Williamson made about DSS being a revenue generating agency. Ms. Williamson explained that the federal match rate to state general fund is on average 70%. DSS draws down funds that would not otherwise be in the economy. In addition there are fees that are generated by DSS. For example licensing fees and child support enforcement payments. Ms. Linda Robinson, DSS Budget Director, added information on Statutory Dedications appropriated to DSS. Statutory Dedicated revenues in OCS come from fees on birth certificates. Although birth certificates are managed in the DHH Office of Public Health, there is actually a dedicated fund, comprised of a portion of the fee collected on requests for certificates, that goes directly to DSS.

Representative Williams asked how many families participate in the Individual Development Account (IDA) program. Adren Wilson, Assistant Secretary of OFS, indicated there is a contract with Southern University for the IDA program. IDA accounts require the individual to be TANF eligible to qualify and there are about 400 individuals currently in the program. Ms. Williamson offered a website devoted to the IDA accounts: www.subr.edu/ida. Mr. Wilson indicated more individuals are not participating in the program because many people who apply for the program have financial issues which must be corrected before they can complete the program.

Representative LeBas asked if the budget for child support enforcement is being cut. Ms. Williamson indicated that there are higher case loads. When the case load grows, the budget does not grow with it. The federal government did reduce federal financing of the support enforcement program, with the expectation that the state would take more responsibility. The Executive Budget recommends to replace the federal funds with SGF.

Representative LeBas asked about parenting classes. Ms. Sherry Guarisco, DSS Director of Child Care, indicated that there is a parenting component as part of the quality star rating model in child care facilities. A facility can earn points to higher stars if they offer a parenting class. Mr. Wilson added that the TANF welfare to work program requires participants to enroll in a parenting class or risk being removed from receiving public cash assistance.

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In response to questions by Representative Hazel, DSS Attorney Lisa Woodruff-White indicated that following the storms DSS received \$29.5 million in federal funds from the Community Development Block Grant to support homelessness recovery following the hurricanes.

In response to a question by Chairman McVea, Ms. Williamson indicated that DSS leverages all opportunities to work with other departments, especially DHH and the Department of Education, for the sake of families with multiple needs.

Chairman McVea asked for an explanation of the Family Independence Temporary Assistance Program (FITAP). Ms. Williamson explained that FITAP replaced the old Aid to Families with Dependent Children (AFDC) program, and now FITAP is a temporary cash assistance program with a 60 month cap on participation over a lifetime. Temporary Assistance for Needy Families (TANF) is the name for the entire federal block grant the state receives. FITAP is the cash assistance that goes to the family. Ms. Williamson indicated the number of individuals in the program is shrinking, and currently there are less than 7,000 FITAP cases.

There was additional discussion regarding FITAP child-only cases. Funds are administered by the adult in the household, but it is a lesser amount because only the child is considered for the amount given. Mr. Wilson confirmed that of the total 7,000 FITAP cases, about 4,000 are child-only. Mr. Wilson believes the decline in the number of individuals receiving these benefits is a result of the implementation of welfare reform. Welfare reform in Louisiana included a limit of 24 consecutive months, with a 60 month lifetime cap on receiving services. Additionally, an individual may not receive benefits for 12 months in between each 24 month period of receiving services. Total cash assistance provided to individuals in Louisiana is \$45 million a year.

In response to a question by Representative Hazel, Ms. Williamson indicated that DSS has contracts with the Department of Labor to conduct the job training and workforce readiness, and contracts with the Department of Education for adult education and literacy development.

In response to a question by Chairman McVea on past surpluses in the TANF program, Ms. Williamson indicated that in 2001, Louisiana realized a surplus of \$200 million of surplus funds which the state spent down over several years on TANF initiatives. The surplus has been spent down and DSS only expends the regular block grant amount each year.

Nancy Keaton, budget analyst for the House Fiscal Division, presented the budget for the Office of the Secretary (OS) and the Office of Family Support (OFS), including a review of the means of finance, significant budget increases for FY 08-09, and significant budget decreases for FY 08-09.

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Chairman McVea questioned the practice of transferring funds for indirect costs from the program offices in DSS to OS instead of having operating funds appropriated directly to OS. Ms. Williamson indicated DSS has discussed this with the division.

Chairman McVea asked about the increase in SGF in the OS. Ms. Keaton explained the increase is mostly related to rent. SGF was reduced from the other DSS offices and transferred to OS because they are ultimately responsible for paying Iberville building rent to the Division of Administration.

Chairman McVea also asked about the decrease of positions recommended in OS. Ms. Keaton explained there were 13 vacant positions reduced, and 1 position added for the Director of Licensing for residential facilities.

Ms. Williamson confirmed that 55% of DSS expenditures are on client payments including the board rate paid to foster parents, adoption subsidies, and services for individuals with disabilities.

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Ms. Marketa Garner Gautreau, Assistant Secretary of Office of Community Services (OCS), presented an overview of program services and budget. OCS provides child welfare functions and administers programs related to child protection, foster care, and adoption.

Representatives LaBruzzo and LeBas questioned what happens when foster children age out of foster care. Ms. Gautreau indicated that approximately 300 children age out each year and need to be transitioned to permanency. There is a federal funding stream that provides vouchers if the foster child chooses to extend education after high school. Additionally, the Young Adult Program is a voluntary program for when a child in foster care turns 18, through age 21, that allows them to keep medical care and provides additional assistance.

In response to a question by Representative Williams, regarding decreases in federal funding, Ms. Gautreau described that the federal government is moving to put more responsibility on the state. Ms. Gautreau noted that since the Executive Budget came out, DSS has learned that \$1.5 million in federal Title IV-E and \$1.5 million in federal SSBG funds are expected to be decreased for FY 08-09. Ms. Gautreau also indicated that OCS requested funding from the Division of Administration to continue Intensive Home Based Services (IHBS) in FY 08-09 budget, but the funds were not provided. OCS has determined, based on average length of stay in foster care, IHBS has saved \$7 million of funds that would have been spent if the children had been in state custody.

Representative LaBruzzo questioned the average income of a foster family. Ms. Kaaren Hebert, OCS Deputy Assistant Secretary, indicated that the income of foster parents is not tracked, but

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they do have to show that they have the income to support a family. Representative LaBruzzo also questioned if there was a private school voucher program in place for foster children. Ms. Gautreau indicated there is not. Representative LaBruzzo asked if it is a challenge to get foster parents. Ms. Gautreau indicated it is, so they were grateful to have the supplemental Social Service Block Grant (SSBG) funding to create advertising campaigns. Since the ads began, 500 families have come in for training and 200 have become certified. The training is a seven class curriculum.

In response to a questions by Chairman McVea, Ms. Gautreau discussed the process by which children enter OCS custody. By state law, there are individuals who interact with children who are mandated to report a suspicion of child abuse. Additionally, anyone can report child abuse. If OCS investigates and finds the child is not safe in the home, the court orders the child into OCS custody. The average length of time for an investigation varies depending on each circumstance. Foster parents are available 24 hours a day, 7 days a week to take children into their home. OCS is seeing an increase in the number of children coming into the foster care system. The average time spent in foster care is approximately 12 - 24 months.

Ms. Roseland Starks, Director of the Louisiana Rehabilitation Services, presented an overview of programs including services and budget. Rehabilitation Services works with businesses and other community services to assist persons with disabilities.

In response to questions by Representative LeBas, Ms. Starks described that supported employment services are provided for up to 18 months. Rehabilitation Services serves approximately 26,000 individuals, but there is a larger population of individuals who have injuries related to work covered by workers compensation. For veterans, the Veteran's Administration provides medical care, and DSS Rehabilitation Services helps with training and employment of returning veterans. There is no distinct allocation of funding to DSS from the federal government for veterans.

Individuals representing the Louisiana Assistive Technology Access Network (LATAN) provided public testimony. LATAN is a non-profit organization which assists individuals with disabilities by providing access to assistive technology. Representatives of LATAN described the programs, activities and funding of the organization. LATAN currently receives a state appropriation of \$600,000, and representatives asked for additional funding totaling \$1 million in FY 08-09.

Mr. Keith Liederman, Executive Director of Kingsley House, provided public testimony. Mr. Liederman specifically requested \$1.5 million in funding for FY 08-09 to maintain the current level of Intensive Home Based Services (IHBS) in the DSS Office of Community Services. According to DSS, federal funding for the program is no longer available in FY 07-08. IHBS

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services are provided to families to prevent out of home placement of a child. In response to a question by Representative Hazel, Ms. Gautreau indicated that a team of six to seven IHBS workers are in each of DSS's designated regions of the state.

Mr. Steve Kauffman with the Advocacy Center presented public testimony. Mr. Kauffman specifically requested the restoration of \$2 million SGF for vocational rehabilitation and independent living services that the Executive Budget recommended to be reduced from DSS Louisiana Rehabilitation Services. The \$2 million SGF draws down \$6 million of federal funding.

Mr. Bill Price, President of the Lighthouse for the Blind in New Orleans, provided public testimony. Mr. Price also asked for restoration of \$2 million SGF that the Executive Budget recommended to be reduced from DSS Louisiana Rehabilitation Services.

Ms. Shanta Procter, Executive Director of the Office of Women's Policy, provided public testimony on behalf of stakeholders. Ms. Procter expressed concern about the Executive Budget recommendation to move the Office of Women's Policy from the Governor's Office to the DSS Office of Community Services and asked that it be placed back in the Governor's Office.

Report on LSU Health Care

Summary of Committee Meetings

April 15, 2008

Nancy Keaton presented the budget for Health Care Services Division (HCSD), including a review of the means of finance. State General Fund is the only means of financing appropriated directly to HCSD hospitals in the General Appropriation Bill. LSU Health Care Services Division (HCSD) is comprised of 7 hospitals in south Louisiana as well as clinics and other community partnerships. The hospitals in the HCSD system include

- Earl K. Long Medical Center (Baton Rouge)
- University Medical Center (Lafayette)
- W.O. Moss Regional Medical Center (Lake Charles)
- Lallie Kemp Regional Medical Center (Independence)
- Washington-St. Tammany Regional Medical Center (Bogalusa)
- Leonard J. Chabert Medical Center (Houma)
- Medical Center of Louisiana at New Orleans (MCLNO)

Ms. Keaton presented the budget for Health Sciences Center - New Orleans (LSUHSC -NO), including a review of the means of finance, significant budget increases for FY 08-09, significant

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budget decreases for FY 08-09 and a review of total funding. Decreases were the result of lower risk management premiums, lower state contribution to retirement system costs, and non-recurring of one-time finding for repairs. There are six professional schools within the LSU Health Sciences Center - New Orleans: School of Medicine, School of Graduate Studies, School of Dentistry, School of Nursing, School of Allied Health Professionals, and School of Public Health.

Ms. Keaton presented the budget for Health Sciences Center - Shreveport (LSUHSC -S), including a review of the means of finance, significant budget increases for FY 08-09, significant budget decreases for FY 08-09 and a review of total funding. Increases provide for additional beds in the LSU Hospital in Shreveport and additional funding for health information technology. LSU Health Sciences Center - Shreveport (LSUHSC - S) is comprised of the School of Medicine, School of Graduate Studies, School of Allied Health Professions, and 3 hospitals in north Louisiana. The hospitals in the LSUHSC -S system include:

- LSU Hospital (Shreveport)
- E.A. Conway Medical Center (Monroe)
- Huey P. Long Medical Center (Pineville)

Dr. Fred Cerise, LSU Vice President of Health Affairs and Graduate Education, presented an overview of the LSU health care activities and budgets. Dr. Cerise discussed an expected shortfall in FY 08-09 of \$29 million in HCSD for non-allowable costs and \$16 million to fund depreciation, and \$5.5 million in LSUHSC - S. Dr. Cerise also outlined needs for one-time funding for health information technology, deferred maintenance and non-allowable cost shortfall in FY 07-08.

In response to a request by Chairman McVea, Dr. Cerise described Louisiana's Uncompensated Care Costs (UCC) program. About 60% of total UCC funding in Louisiana is used in the LSU hospitals.

There was a discussion of the new LSU hospital in New Orleans including the adequate size. LSU and DHH are evaluating the plan. Dr. Cerise indicated that LSU is looking to build a hospital that will become an academic medical center. Dr. Larry Hollier, Chancellor of LSUHSC - NO, indicated that 72% of residency training in the state is in New Orleans programs. Dr. Hollier also discussed the differences in placement of residency slots and in number of residents before and after the hurricanes. More residents are training in private hospitals following the storm and more individuals graduating from LSU medical schools are going to other states to do their residency.

Representative Williams asked about the budget at LSUHSC-S. Dr. McDonald described the sharing of funds in which revenue from the hospital goes to operating costs at the medical school.

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Two critical needs include funds for the equipment in the emergency room expansion at the hospital in Shreveport, and \$5.5 million in recurring funding for operating costs at the medical school. Shutting down services at the hospital to save funding will only cause the hospital to generate less of the private sources of funding.

In response to questions by Representative LaBruzzo, there was a discussion of the condition of LSU hospitals and needs for equipment or renovation costs. According to Dr. Cerise, several years ago, LSU completed a comprehensive report on needs for each of the hospitals. There was also a discussion of depreciation costs in the LSU hospitals.

Individuals representing the American Cancer Society presented public testimony regarding a colorectal cancer screening pilot program for uninsured individuals. Specifically, the individuals made a request for \$1.5 million in funding for the program.

Individuals representing the Coalition for Support and Service Centers presented public testimony regarding funding for positions in the state operated Support and Service Centers budgeted in the DHH Office for Citizens with Developmental Disabilities. Specifically, the individuals made a request for the restoration of 156 vacant positions and \$2.2 million in SGF that were recommended to be reduced from the Executive Budget.

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The goal of the subcommittees of the Appropriations Committee, the full committee and the entire House, is to first act as good stewards of state taxpayer dollars by ensuring the most cost-efficient delivery of state services possible, while, at the same time, recognizing that "one-time" dollars should not be spent on recurring expenses.

In conclusion, after review of the abovementioned agency budgets, we, the members of the Health and Human Services Appropriation Subcommittee recommend the following adjustments to the FY 08-09 budgets.

Department	Minimum Adjustment	Maximum Adjustment
<u>Health and Hospitals</u>	<u>\$29,931,560</u>	<u>\$66,751,064</u>
<u>Social Services</u>	<u>\$1,500,000</u>	<u>\$10,195,978</u>
 <u>Health Care Services Division</u>	 <u>\$0</u>	 <u>\$1,466,283</u>
 <u>Health Science Centers</u>	 _____ *	 _____ *

*(*Note: Health Science Centers are included in the total recommendation for Higher Education, therefore the minimum and maximum adjustment is shown in Education Appropriation Subcommittee Summary report.)*

The minimum adjustment may be revised by the full Appropriations Committee. The amount of the revision will be determined at such time as the Revenue Estimating Conference meets and recognizes additional revenue for FY 08-09.

Appropriation Subcommittee on Health and Human Services

Report on the Department of Health and Human Services, the Department of Social Services and the Louisiana State University State Hospitals and Medical Schools

ADDENDUM

FINAL ACTION OF APPROPRIATION SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Chairman McVea read into the record the following additions to the final report for the Early Periodic Screening, Diagnosis and Treatment (EPSDT) Dental program, Villa Feliciana Medical Complex and Colorectal Cancer Screening as follows: \$8 million (\$2.3 million SGF; \$5.7 million FED) for the EPSDT Dental program (DHH), \$500,000 for Villa Feliciana Medical Complex (DHH) for incentive pay and \$1.5 million for Colorectal Cancer Screening (DHH).

Representative LeBas recommended and the committee approved the adoption of the Appropriations Subcommittee on Health and Human Services final report.